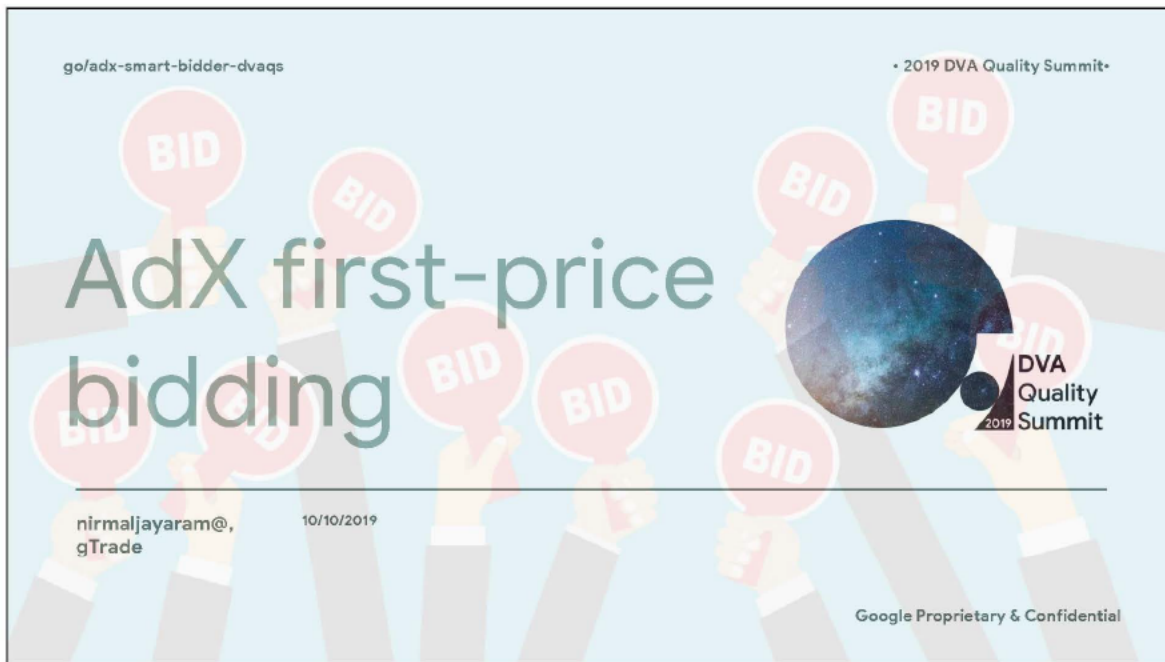


Plaintiffs' Exhibit 18



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Goals / Takeaways:

1. Adx/Admob have transitioned to a first-price auction on Sep 25 2019
2. I will discuss some of the motivations behind this move
3. I will discuss the first-price bidder which we built so GDA and DV360 can buy in these first-price auctions

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GOOGLE'S AD MANAGER WILL MOVE TO FIRST-PRICE AUCTION


Google Switches To First-Price Auction

by Sarah Siu // Wednesday, March 6th, 2019 - 5:33 pm

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Google will move to first-price auctions for Google Ad Manager, its publisher exchange and ad server, by the end of 2019. At that time, it will also run a single, unified auction and remove last look, ceding a key advantage Google held in a second-price world.

Google Ad Manager will be the last major exchange to switch to first-price auctions. Other exchanges ~~tested or rolled out~~ first-price auctions starting in 2017.



The Unified Auction

nirmaljayaram@, 10/10/2019
gTrade

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Waterfall setup

- Publishers sold inventory to different sales channels (line items) through a waterfall mechanism
- Line items were called in decreasing order of their average historical CPMs

Line item 1

CPM = \$2

Line item 2

CPM = \$1.5

⋮

Line item N

CPM = \$1

nirmaljayaram@,
gTrade

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Problems with this setup

● Line items were compared on their average CPMs not their “live” CPMs

● Line items were called one at a time (rather than jointly)

Line item 1

CPM = \$2

Line item 2

CPM = \$1.5 (Live CPM = \$3)

⋮

Line item N

CPM = \$1

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With header bidding, publishers can configure to call all the line items first before the ad server gets involved. This is a first-price auction



The Rise Of 'Header Bidding' And The End Of The Publisher Waterfall

by Sarah Sluis // Thursday, June 18th, 2015 - 7:31 am

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